

**REPORT OF THE US SECURITIES AND EXCHANGE COMMISSION (SEC) TO THE
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) CONCERNING
TECHNICAL ASSISTANCE TO INDIA UNDER THE FINANCIAL INSTITUTIONS
REFORMS AND EXPANSION PROJECT, PHASE II**

**PASA NUMBER 386-P-00-01-00087-00
PROJECT NUMBER 386-0531**

FOR THE QUARTER ENDED MARCH 31, 2006

The SEC provides technical assistance to India pursuant to a Participating Agency Service Agreement (PASA) with USAID dated May 4, 2001. This report describes the SEC's activities under the PASA for the quarter ending March 31, 2006.

ACTIVITIES DURING THE QUARTER

Regional Securities Enforcement Training Program (March 13 – 24, 2006)

Tim Warren, Associate Director, SEC Midwest Regional Office, conducted a Regional Office Organization and Operations Training Program for 26 people at the SEBI regional office in New Delhi, India. Topics covered included the overview of SEC enforcement, management and oversight of an enforcement program” and how to investigate various types of securities law violations. The program agenda and the list of participants are attached as appendices A and B, respectively.

Judicial Familiarization Program (March 27 – 31, 2006)

The SEC hosted seven high-level Indian Government Officials for a Judicial Familiarization Program in Washington, DC. Members of the delegation included the Joint Secretary (Capital Markets) in Ministry of Finance, Chairman of the SEBI, The presiding Officer of the Securities Appellate Tribunal, two full time members of the SEBI Board and two senior SEBI officials. The program was designed to familiarize the attending officials with the adjudicative process at the SEC and at the federal appellate level. The participants meet with officials from the SEC and NASD, several SEC Administrative Law Judges, the current SEC Secretary, the former SEC Secretary (who retired at the end of December 2005), two U.S. Federal Judges (a District Court Judge and an Appellate Judge) and several law school professors. The program agenda and the list of participants are attached as appendices C and D, respectively.

REIMBURSABLE SEC STAFF TIME AND EXPENSES

The following SEC staff member rendered reimbursable assistance during the quarter:

Ester Saverson, Assistant Director, OIA	81.50
Timothy Warren, Associate Regional Director, MRO	<u>106.00</u>
Total	187.50 hrs.

Based upon the composite hourly rate of \$98.39 per hour, as established by the formula provided in the PASA, the SEC's reimbursable staff time charges incurred during the quarter were \$18,448. Overseas travel expenditures for the quarter were \$33,722 (some of these charges reflect expenditures from the first quarter of the year that were paid during this period). Overall G&A expenditures for the quarter were \$7,825. Accordingly, the SEC will submit a claim for reimbursement of \$59,995 under the PASA for the quarter ending March 31, 2006 (See the attached financial report for additional details).

April 10, 2006

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert M. Fisher". The signature is fluid and cursive, with the first name "Robert" and last name "Fisher" clearly distinguishable.

Dr. Robert M. Fisher
Assistant Director
Office of International Affairs

Financial Report
Appendices

ENFORCEMENT TRAINING PROGRAM

Location: # 2020, 20th Floor, Hotel Le Meridien, Janpath, New Delhi

Monday – March 13, 2006

- 09.30 a.m. Registration
- 09.45 a.m. Inaugural address by Mr. Ashok Jha, Chief Technical Officer, FIRE project, USAID
- 10:00 a.m. **Overview of SEC Enforcement & Management of the Enforcement Program**
- 11:30 a.m. Coffee Break
- 11.45 a.m. **Investigation skills and Role of Evidence in prosecution - by Mr. A.M. Prasad, DIG, CBI (Bank Securities and Frauds Cell)**
- 12:30 p.m. Lunch
- 01.30 p.m. **Insider Trading Cases**
- 02:30 p.m. **Offering Frauds**
- 03:15 p.m. Coffee Break
- 03:30 p.m. **Market Manipulation cases**
- 04:45 p.m. **Pick Tim's brain - General interaction**

Tuesday – March 14, 2006

- 10:00 a.m. **Regional Office Operations**
How the regional offices of SEC are organized
Role of the regional offices of SEC
Degree and extent of delegation at the regional level.
- 11:15 a.m. Coffee Break
- 11.30 a.m. **Remedies and Settlement Negotiations**
- 12:30 p.m. Lunch
- 01:30 p.m. **Mutual Fund Regulation and Enforcement**
- 02.30 p.m. **Broker-dealer Enforcement cases**
- 03:15 p.m. Coffee Break
- 03:30 p.m. **Panel discussion (Role of Retail Investors in Securities Market)**
Dr. I. C. Gupta, Director, Society for Capital market Research & Development (to preside)
Dr. T.C. Nair, Whole Time Member, SEBI
Mr. Dharendra Kumar, Managing Director, Value Research
Mr. Tim Warren, Associate Regional Director, SEC
- 05:00 p.m. Valedictory Address by Dr. K.P.Krishnan, Jt. Secretary, Capital Markets, MoF

***Note: Unless otherwise stated, all the talks would be given by Mr. Tim Warren, Associate Regional Director, SEC, Chicago on both the days.
Each session will include Q & A.***

USSEC ENFORCEMENT TRAINING**MARCH 13- 14, 2006, DELHI**

NO	GENDER	NAME	DESIGNATION	ORGANIZATION
1	Mr	Amarjeet Singh	Regional Manager	SEBI
2	Ms	Raj Rani Bhalla	Deputy Legal Advisor	SEBI
3	Ms	Jyoti indgar	Asst GM	SEBI
4	Mr	Achal Singh	Asst GM	SEBI
5	Mr	Rakesh Bhanot	Asst GM	SEBI
6	Ms	Vandana Mittal	Asst GM	SEBI
7	Ms	Ruchi Agashe	Asst GM	SEBI
8	Mr	Manish Vashisht	Manager	SEBI
9	Ms	Radhika Varma	Manager	SEBI
10	Ms	Richa Goel	Manager	SEBI
11	Mr	Gaurav Trehan	Manager	SEBI
12	Mr	Aman Jain	Manager	SEBI
13	Mr	Surya Kant Sharma	Manager	SEBI
14	Mr	Manoj Kumar	Manager	SEBI
15	Mr	Sharad Sharma	Joint Director	SEBI
16	Mr	Jayant Jash	Regional Manager	SEBI
17	Mr	R P Singh	Asst GM	SEBI
18	Mr	B N Sahoo	Asst GM	SEBI
19	Ms	S V Divya	Asst GM	SEBI
20	Ms	V Vidya	Manager	SEBI
21	Mr	Sandeep Deora	Deputy Legal Advisor	SEBI
22	Mr	J K Teotia	Joint Director	SEBI
23	Mr	B P Gupta	General Manager	UP Stock Exch
24	Mr	H S Siddhu	Executive Director	Lucknow Stock Exch
25	Mr	V Shankaran	Manager	Delhi Stock Exch
26	Mr	Devendra Arora	Executive Director	DFSL Subsidy

**JUDICIAL FAMILIARIZATION PROGRAM
MARCH 27- 31, 2006
WASHINGTON, DC**

Meeting for Monday, Tuesday and Wednesday will be held at the SEC Headquarters, 100 F Street, N.E., Washington, DC (Contact person Ester Saverson at 202-551-6685), except that the NASD presentation. The address for the NASD presentation is noted below.

Monday, March 27, 2006

9:15 am Welcome to the SEC and the Judicial Training Program

Speaker: Ethiopis Tafara, Director, SEC Office of International Affairs

Room 10620

9:30 am The Anatomy of a SEC Enforcement Case

Speaker: Kurt Gresenz, Branch Chief, Division of Enforcement

Room 10620

11:30 am Break

12:00 pm Lunch Provided

1:30 pm The NASD Disciplinary Process

Speakers: Various Speakers from the NASD

This session will be held at:

NASD

1735 K Street, NW

Washington, DC 20006

Contact Person: Steven Polansky at (202) 728-8331

Tuesday, March 28, 2006

9:00 am **Training by SEC Administrative Law Judges**

Speakers: Chief Administrative Judge Brenda P. Murray, SEC Office
of Administrative Law judges
Administrative Law Judge Robert G. Mahony, SEC Office
of Administrative Law judges
Geoffrey D. Kruczek, Law Clerk, SEC Office of
Administrative Law judges

Room 2590

12:00 pm **Lunch**

2:00 pm **The Inter-workings of the SEC**

Speaker: Nancy Morris, Secretary, SEC

Room 4000

2:45 pm **Break**

3:00 pm **The Appeals process: Appealing Decisions to the Commission made
by Administrative Law Judges, Self-Regulatory Organizations and
the Public Company Accounting Oversight Board**

Speaker: Anne Chafer, Associate General Counsel, SEC Office of
General Counsel

Room 4000

Wednesday, March 29, 2006

9: 00 am **International Issues and concerns that may occur in Securities Law Cases**

Speakers: Mariann Olson, SEC Office of International Affairs
 Troy Beatty, SEC Office of International Affairs

Room 10620

10:00 am **Break**

10:15 am **The SRO Concept**

Speaker: Robert Colby, Acting Director, SEC Division of Market Regulation

Room 10620

11:15 am **SRO Inspection Process**

Speaker: John Walsh, Chief Counsel, SEC Office of Compliance and Examination

Room 10620

12:15 pm **Lunch**

2:00 pm **Developing a Securities Regulator in the U.S.: Lessons Learned**

Speaker: Jonathan Katz, Former Secretary to the U.S. Securities and Exchange Commission

Room 10620

Meetings for Thursday and Friday will be held at the Federal Judicial Center, Thurgood Marshall Federal Judiciary Building, One Columbus Circle NE. Washington, DC. (The building is next to Union Station and across the street from SEC Headquarters.)

Thursday, March 30, 2006

- 9:00 am **Introduction to the Federal Judicial Center and training and resources on Securities Law for Federal Court Judges**
- 9:30 am **Tour of FJC and Thurgood Marshall Federal Judicial Building**
- 9:50 am **Break**
- 10:30 am **Panel Discussion on Appellate Review of Market Manipulation Cases.**
Speakers: Judges from the U.S. Federal Courts of Appeals
- 11:30 am **Coffee Break**
- 11:45 am **Panel Discussion on Appellate Review of Broker-Dealer Fraud Cases**
Speakers: Judges from the U.S. Federal Courts of Appeals
- 12:30 pm **Lunch Provided**

Friday, March 31, 2006

- 10:00 am **Panel Discussion on the Evolution of Review of SEC Decisions in the Federal Courts.**
Speakers: Law School Professors

**JUDICIAL FAMILIARIZATION PROGRAM
MARCH 27- 31, 2006
WASHINGTON, DC**

LIST OF PARTICIPANTS

Securities Exchange Board of India:

1. Sh. M. Damodaran, Chairman
2. Sh. G. Anantharaman, Member
3. Sh. T. C. Nair, Member
4. Sh. R. Ravichandran. Chief General Manager
5. Sh. R. S. Loona

India Securities Appellate Tribunal:

1. Honorable Mr. Justice N. K. Sodhi, Presiding Officer

Indian Ministry of Finance:

1. Mr. K. P. Krishnan, Joint Secretary (Capital Markets)